Form (2)
Sr. No. 1787
Dated 31.1.2013

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★

MIC

The Myanmar Investment Commission

PERMIT

Permit No. 553 / 2013

Date 31st JANUARY, 2013

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. KEIICHI ASANO

(b) Citizenship JAPANESE

(c) Address 2-44-12, HIROSAWA, NAKA-KU, HAMAMATSU CITY, SHIZUOKA - PREFECTURE, JAPAN

(d) Name and Address of principal organization SUZUKI MOTOR CORPORATION, 300, TAKATSUKA - CHO, MINAMI - KU, HAMAMATSU CITY, SHIZUOKA - PREFECTURE, JAPAN

(e) Place of incorporation JAPAN

(f) Type of business in which investment is to be made MANUFACTURING AND SALES OF BRAND NEW SUZUKI BRAND FOUR WHEEL AUTOMOBILES

(g) Place(s) at which investment is permitted PLOT NO.476(C), BLOCK NO.23, MOEGOKE STREET, SOUTH DAGON INDUSTRIAL ZONE, SOUTH DAGON TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US $ 7.00 MILLION

(i) Period for bringing in foreign capital WITHIN 1 YEAR AFTER MIC APPROVAL

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 7.00 MILLION

(k) Permitted duration of investment 3 YEARS

(l) Name of the economic organization to be formed in Myanmar

SUZUKI (MYANMAR) MOTOR COMPANY LIMITED

Chairman
The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော် (ပုံစံ) ... မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ၁၇၈၇
ရက် ၃၁.၁.၂၀၁၃

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၅၃ / ၂၀၁၃ ၂၀၁၃ ခုနှစ် ဇန်နဝါရီလ ၃၁ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. KEIICHI ASANO

(ခ) မည်သည့် နိုင်ငံသား JAPANESE

(ဂ) နေရပ်လိပ်စာ 2-44-12, HIROSAWA, NAKA-KU, HAMAMATSU CITY, SHIZUOKA - PREFECTURE, JAPAN

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ SUZUKI MOTOR CORPORATION, 300, TAKATSUKA - CHO, MINAMI - KU, HAMAMATSU CITY, SHIZUOKA - PREFECTURE, JAPAN

(င) ဖွဲ့စည်းရာအရပ် JAPAN

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား SUZUKI အမှတ်တံဆိပ် မော်တော်ယာဉ် ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်၄၇၆(ဂ)၊ (၂၃)ရပ်ကွက်၊ မိုးကုတ်လမ်း၊ တောင်ဒဂုံစက်မှုဇုန်၊ တောင်ဒဂုံမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၇.၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့် ရရှိပြီး (၁)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန် ဒေါ်လာ ၇.၀၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင်ဖွဲ့စည်းမည့်စီးပွားရေးအဖွဲ့အစည်းအမည် SUZUKI (MYANMAR) MOTOR COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

Confidential

REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-768/ 2013(1787)
Dated : 31 January, 2013.

Tel:95-067-406334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the proposal for "Manufacturing and Sales of Brand New Suzuki Brand Four Wheel Automobiles" under the name of "Suzuki (Myanmar) Motor Company Limited"**

Reference: Ministry of Industry Letter No. 40-Sa Ma (2) 2012-2013(3377) dated(26-12-2012)

1. The Myanmar Investment Commission, at its meeting (5/2013) held on (30-1-2013) had approved the proposal for investment in "Manufacturing and Sales of Brand New Suzuki Brand Four Wheel Automobiles" under the name of "Suzuki (Myanmar) Motor Company Limited" submitted by Suzuki Motor Corporation from Japan as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 3(Three) years commencing from the date of signing of the Lease Agreement for land and buildings by mutual agreement between No.(1) Heavy Industries Enterprise, Ministry of Industry and Suzuki (Myanmar) Motor Company Limited.

4. The annual rent for the land and buildings shall be US $ 272,843 (United States Dollar two hundred and seventy - two thousand, eight hundred and forty-three only) calculated at the rate of US$ 11.40 per square metre per year of the buildings area measuring 1,900 square metre and calculated at the rate of US$ 4.60 per square metre per year of the land area 54,605 square metre.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 21(a), (i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance following 3 years tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holidays period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Suzuki (Myanmar) Motor Company Limited shall have to sign the Lease Agreement for land & buildings with No.(1) Heavy Industries Enterprise, Ministry of Industry. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Suzuki (Myanmar) Motor Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Suzuki (Myanmar) Motor Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. Suzuki (Myanmar) Motor Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Suzuki (Myanmar) Motor Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

13. Whenever Suzuki (Myanmar) Motor Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92 (416) dated 3-12-92 [Annexure (1)].

15. Suzuki (Myanmar) Motor Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. Suzuki (Myanmar) Motor Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Suzuki (Myanmar) Motor Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems. To conduct Initial Environmental Examination (IEE) process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP.

18. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the

official foreign exchange earnings of Suzuki (Myanmar) Motor Company Limited.

19. Suzuki (Myanmar) Motor Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Suzuki (Myanmar) Motor Company Limited

c/o Managing Director
N0.(1) Heavy Industries Enterprise
Ministry of Industry

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Industry
6. Ministry of Commerce
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Director General , Directorate of Investment and Company Administration
14. Director General, Directorate of Industrial Supervision and Inspection
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank

19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)